

(Published in Part - III Section 4 of the Gazette of India, Extraordinary)

TARIFF AUTHORITY FOR MAJOR PORTS

G.No.202

New Delhi,

7 June 2019

NOTIFICATION

In exercise of the powers conferred by Section 49 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from Kolkata Port Trust (KOPT) for review of rate of rent of KOPT's land at Panskura, as in the Order appended hereto.

(T.S. Balasubramanian)

Member (Finance)

Tariff Authority for Major Ports

Case No. TAMP/59/2018-KOPT

Kolkata Port Trust

Applicant

QUORUM

- (i). Shri. T.S. Balasubramanian, Member (Finance)
- (ii). Shri. Rajat Sachar, Member (Economic)

ORDER

(Passed on this 29th day of March 2019)

This case relates to a proposal received from Kolkata Port Trust (KOPT) for review of rate of rent of KOPT's land at Panskura.

2.1. This Authority vide its Order no. TAMP/62/2016-KOPT dated 29 March 2017 had approved Schedule of Rent (SOR) for Land and Buildings of KOPT at Kolkata and Haldia. This Order was notified in the Gazette of India on 31 May 2017 vide Gazette No. 224. The SOR came into effect retrospectively from 7 April 2016 and is valid for a period of 5 years i.e. upto 6 April 2021.

2.2. The Rent Schedule for the lands and buildings of KOPT at Haldia, interalia, prescribed rentals for land at Panskura at Haldia Dock Complex (HDC) at ₹.1206/- per 100 sq. mtrs. per month. The approved rental is subject to an annual indexation of 2% per annum. The escalated rent is reported to be at ₹ 1254.72 per 100 sq. mtrs. per month as on 6 April 2018. It will be ₹. 1279.81 per 100 sq. mtrs. per month as on 6 April 2019.

3.1. In this backdrop, the KOPT vide its letter no. Ad/E/T/Law/Panskura/2017/2550 dated 24 July 2018 has filed a proposal to reduce the rent of land at Panskura to ₹ 869.19 per 100 sq. mtrs. per month. The main points made by KOPT in its proposal dated 24 July 2018 are summarized below:

- (i). The KOPT land at Panskura was under the custodianship of Hon'ble District Court, Tamruk, in pursuance of a legal case for a long period of time. The Hon'ble Court had handed over the land to HDC after removing encroachment with the assistance of local police on 3.9.2017.
- (ii). Thereafter, the HDC had invited tender for leasing of 32.5 acres of land at Panskura twice in 2017. In both occasions, the reserve rate of upfront rent was fixed on the basis of the rate notified by TAMP. However, no bids were received by HDC. There was no participant in the pre-bid meeting also. Therefore, the land could not be allotted by HDC.
- (iii). Further, Panskura is highly encroachment prone and is located about 70 km away from HDC and it is difficult to carry out regular monitoring of the area. Private guards have been deployed to keep the area encroachment free. Therefore, there is a need for allotting this land on long term lease.
- (iv). The current rent of land at Panskura is ₹. 1254.72 per 100 sq. mtrs. per month which is higher than the land rent of ₹. 1123.63 per 100 sq. mtrs. per month of the industrial land of HDC at Haldia. Moreover, industrial zone of HDC is having good connectivity of rail, road and water than land located at Panskura. Therefore, it has been decided that the rate of rent for the land at Panskura fixed in the recent past with approval of TAMP after carrying out due valuation, needs to be reviewed.
- (v). HDC had also appointed Valuer i.e M/s Colliers International (India) Property Services Pvt Ltd who had carried out review of the current SOR of Panskura land, to carry out fresh valuation of Panskura land. The Valuer has submitted Valuation Report for the KOPT land at Panskura. [The Valuation Report submitted by Valuer is furnished by KOPT.]

- (vi). As per proceedings of the Land Allotment Committee Meeting held on 25 June 2018,
- (a). M/s. Colliers International (India) Property Services Pvt. Ltd., the Valuer engaged by HDC while reviewing the prevailing rate of rent notified by TAMP vide G. No. 224 dated 31st May 2017 for the subject 32.5 acres of land at Panskura has submitted following :-
- (i). They had derived the rate of rent of ₹.1206/- per 100 sq. mtrs. per month in respect of the subject land considering various comparables mostly located within developed zones of node near to Panskura Railway Station. However, the land lacks proper approach and accessibility from Panskura Railway Station and is located in substantially less developed zone.
- (ii). Further, HDC had conducted tender-cum-auction, twice in recent past for the said land parcel. However in both the cases, HDC have failed to get response from the potential buyers. The relevant reasons would be the rate of rent which appears to be not consistent with the market and seems to be higher side. Moreover, the land has encroachment issue which eventually reduces the marketability further. In the above premise, they have carried out fresh valuation of the subject land.
- (iii). The location of the subject land has been assessed in detail and analysis of various aspects like location, approach road and accessibility, availability of public transport facility, surrounding development profile, current status & encroachment size etc., has been carried out. Though the subject land is located nearly 2 Km away from Panskura Railway Station, the surrounding area adjacent to it are sparsely developed with very inadequate accessibility and limited connectivity through public transport facilities. After reviewing these aspects, the Valuer has analyzed the market transaction evidences of similar profiled area and mostly from the mouzas wherein the subject land is located to determine the fair market value.
- (b). The Valuer has ascertained/ amended the value of the land, in compliance with Land Policy Guidelines 2014 as amended in 2015:-
- (i). No State Govt. Ready Reckoner is available in West Bengal. However, Directorate of Registration & Stamp Revenue under Finance Department of West Bengal has recently implemented online portal of market value of property for assessment of stamp duty and registration fees, which has been considered as Govt. guidelines value.
- (ii). Actual land transaction instances registered in Panskura Sub-registry Office (SRO) in the vicinity of the subject property in recent times have been collected.
- (iii). In absence of tender-cum-auction rate at Panskura the assessment of valuation on this parameter could not be done by the Valuer.
- (iv). Estimation of the market value of the land by the valuer through Direct Comparison Approach and adjustment factors.

The detailed analysis in this regard are mentioned in the Valuation Report submitted by the Valuer.

- (c). The Valuer has assessed different value of the KOPT land at Panskura on the basis of different parameters mentioned in the Land Policy Guidelines, the details of which are given in the table below:

Description of land	Highest Land Value as per Directorate of Registration and Stamp Revenue (in INR /acre)	Land value as per highest rate of actual transactions registered in last three years in the vicinity areas of the KOPT land at Panskura (in INR / acre)	Land value as per Highest Tender rate per acre	Land value estimated by Valuer (in INR/ acre)	Suggested land value (In INR / acre)
KOPT land msg about 32.50 acres at Panskura	63,00,000/-	70,00,000/-	No tender rates are available	70,35,000/-	70,35,000/-

- (d). As per Clause- 13(b) of the Land Policy Guidelines, the SOR is to be fixed on the basis of the highest value from amongst the different values to be assessed on the basis of the different parameters prescribed at Clause - 13(a) of the Land Policy Guidelines. As such, the consultant had taken the highest of the different values i.e. ₹.70,35,000/- per acre as the land value for the purpose of assessing the SOR.
- (e). The valuer has taken 6% yield as per clause -13(b) to assess the SOR. The rate of rent has accordingly, been assessed to be ₹. 869.19/- per 100 sq. mtrs. Per month by the Valuer.
- (vii). The review of the current SOR of Panskura was placed before the Land Allotment Committee (LAC) of HDC. The LAC has -
- Accepted the fresh Valuation Report submitted by M/s Colliers International (India) Property Services Pvt Ltd for the KOPT land at Panskura.
 - Approved the proposed revised rate of rent of ₹. 869.19 per 100 sq. mtr. Per month for KOPT land at Panskura.
 - Sought approval of TAMP, after approval by the Board of Trustees of the revised rate of ₹. 869.19 per 100 sq. mtr. Per month.
- (viii). The recommendation made by LAC was placed before the Board of Trustees on 28.06.2018. The Board of Trustees of KOPT vide Resolution no. R/76/HDC/ADMN/3/06/2018 has approved the proposal of revised rate of rent of land at Panskura based on the fresh valuation Report.

3.2. The recommendation made by LAC and Board Resolution approving the subject proposal are furnished by KOPT.

3.3. Accordingly, the KOPT has requested to approve the revision of the rate of rent for the KOPT land at Panskura to ₹. 869.19/- per 100 sq. mtr. per month from current rate of rent of ₹. 1254.72/- per 100 sq. mtr. per month and to notify the same appropriately.

3.4. The calculation for valuation of Panskura land and the rate of rental as seen from the documents attached with their proposal of KOPT are given below:

Calculation for Valuation of Land

<u>Transaction /Listing</u>	<u>Subject Property</u>	<u>Comparable – 1</u>	<u>Comparable – 2</u>	<u>Comparable – 3</u>
<u>Status</u>	<u>NA</u>	<u>Transacted</u>	<u>Transacted</u>	<u>Transacted</u>
Location in Kolkata	J.L No. 206, Mouza-Kedarpur, J.L. No. 208, Mouza-Ulter Chanchiara. J.L. No. 209, Mouza Dakshin Chanchiara. P.S. Panshura. District- Purba Medinipur	District-Purba Mindapore. P.S. Panskura, Mouza-Dakshin Chanchiara, Gram Panchyat: Pratappur-I, Plot No. 00319/0000. Khaitan No. 00358/00	District – Purba Mindnapore, P.S. Panskura, Mouza-Uttar Chanchiara. Gram Panchayat Pratrappur-I, Plot No. 00881/0000. Khaitan No. 00465/01	District – Purba Mindnapore, P.S. Panskura, Mouza-Kedarpur, Gram Panchayat Pratrappur-I, Plot No. ₹ 00509/0000. Khaitan No. 00202/01
Distance from subject site (Km.)	NA	1.5	1.5	1.5
Land Area (Decimal)	3250.00	5.00	1	1
Current Land Use	Industrial Allied	Residential (Bastu)	Residential (Bastu)	Residential (Bastu)
Access Road Width (ft)	10	12	12	12
Front of the Property (ft)	0	10	10	10
Current Status	Vacant	Vacant	Vacant	Vacant
Total Transacted/ Asking Price (INR per Decimal)	NA	70000	66000	70000
Total Transacted/ Asking Price (INR per Acre)	NA	7000000	6600000	7000000
Adjustment				
Listing Discount		0.00%	0.00%	0.00%
Time		0.00%	1.00%	1.50%
Size		-2.00%	-2.00%	-2.00%
Location & Access		-7.00%	-7.00%	-7.00%
Railway Siding		30.00%	30.00%	30.00%
Land Use		-7.00%	-7.00%	-7.00%
Ownership		-15.00%	-15.00%	-15.00%
Total Adjustment		-1.00%	0.00%	0.50%
Adjusted Unit Rates (INR per Cottah)		69.300	66.000	70.350

Calculation for Monthly Rent

<u>Estimated Land Value (in INR/Decimal)</u>	<u>Estimated Land Value (in INR/100 Sq. mt)</u>	<u>Considered Annual Yield</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
70,350	173841	6%	10430	869

4. In accordance with the consultative procedure prescribed, a copy of the KOPT proposal dated 24 July 2018 was forwarded to the concerned users/ user organizations, lessees as well as some Chambers of Commerce vide our letter dated 24 August 2018 and subsequent letter dated 4 September 2018, (as per the list furnished by KOPT) seeking their comments. Only one user i.e. Veerprabhu Marketing Ltd (VML) has furnished its comments vide its letter dated 10 August 2018. The said comments was forwarded to KOPT as feedback information. The KOPT vide its email dated 9 October 2018 has responded.

5. At our request, the KOPT vide its email dated 11 October 2018 has stated that the validity period of the proposed revised rate of rent for KOPT land at Panskura may be kept co-terminus with the validity of the existing Schedule of Rent of KOPT's land and building at Kolkata and Haldia i.e. 06.04.2021.

6. A joint hearing on the case in reference was held on 1 November 2018 at the KOPT premises. At the joint hearing, the KOPT made a Power Point presentation of the proposal. The KOPT and other users / user organisations have made their submissions at the joint hearing.

7.1. During the joint hearing, one of the users viz. Veerprabhu Marketing Ltd (VML) had agreed to furnish documents in support of the rental to be prescribed in respect of land at Panskura to Kolkata Port Trust (KOPT) and based on which the KOPT was to review the rental for the land at Panskura, if the port so desired. Accordingly, the KOPT was requested vide our letter dated 12 November 2018 to review its proposal, if it so desires. The VML was also requested vide our letter dated 12 November 2018 to furnish the requisite documents to KOPT.

7.2. Another user viz. West Bengal Logistics Private Ltd (WBL) vide its email dated 26 November 2018 has stated that they have submitted the proposal to KOPT alongwith the justification for the project to be built in Panskura. However, WBL has not submitted the copy of the proposal to this Authority. The copy of the WBL's email dated 26 November 2018 was forwarded to KOPT vide our letter dated 28 November 2018 for KOPT's information.

7.3. After reminders dated 28 November 2018, 31 December 2018 and 28 January 2019, the KOPT has responded vide its letter dated 13 March 2019. The response of KOPT is as follows:

- (i). During the joint hearing held on 1.11.2018, it was resolved that based on the documents to be furnished by one of the user organization i.e. Veerprabhu Marketing Ltd (VML), KOPT will review the rental of the land at Panskura. VML was requested to furnish the necessary documents to KOPT in this regard. However, despite persuasions, KOPT has not received any further documents from the VML.
- (ii). With regard to WBL, it is to state that WBL have proposed a lower rate of rent at Panskura on ownership mode for 99 years lease on the basis of viability of a specific project which may vary from project to project. As such, the justification given by WBL does not conform to the parameter of valuation provided in the Land Policy Guidelines. As such, their contention may not be acceded to.

8. The proceedings relating to consultation in this case are available on records at the office of this Authority. An excerpt of the comments received and arguments made by the concerned parties will be sent separately to the relevant parties. These details will also be made available at our website <http://tariffauthority.gov.in>

9. With reference to the totality of the information collected during the processing of this case, the following position emerges:

- (i). The existing Rent Schedule for the Land and Buildings of Kolkata Port Trust (KOPT) at Kolkata and Haldia was last approved by this Authority vide its Order no. TAMP/62/2016-KOPT dated 27 March 2017 for a period of five years. The Rent Schedule has come into effect from 07 April 2016 and is valid for a period of five years upto 06 April 2021. The approved Rent Schedule for the land and buildings of KOPT at Haldia includes rental for the Panskura area.
- (ii). While fixing the monthly rentals for the Panskura area in the year 2017, the market value of the land for the Panskura area was considered by the KOPT at ₹ 2414/- per sq.m., based on the market value of the land as assessed by the Valuer then. Considering lease rentals at 6% of the market value of the land, the rental for the Panskura area was determined by KOPT at ₹ 1206/- per 100 sq.m. per month. Given that the said rental is subject to an annual indexation of 2% per annum, the escalated rent of Panskura is reported at ₹ 1254.72 per 100 sq. mtrs. per month as on 6 April 2018.
- (iii). In view of a legal case, the KOPT land at Panskura was under the custodianship of Hon'ble District Court of Tamaluk, for a long period of time and it is reported to have been handed over to KOPT in September 2017. The Panskura area is reported to be highly encroachment prone. The Panskura area is located about 70 km away from HDC, making it difficult for the KOPT to carry out regular monitoring of the area. When the KOPT made attempts to allot 32.5 acres of land at

Panskura on a long term lease basis, the attempts are reported to have turned futile, as no bids were received. In view of this position, the KOPT has felt the need to review the rentals downward for the Panskura area fixed in the year 2017.

- (iv). In order to review the lease rental of Panskura area, the KOPT has engaged a Valuer to carry out a fresh valuation of land at Panskura and determine the revised rental for the land at Panskura.
- (v). The KOPT is seen to have constituted a Land Allotment Committee (LAC) headed by the Deputy Chairman of the port and comprising of Heads of Departments of Finance, Traffic and M&S and a representative from the Estate department.
- (vi). As seen from the Report of the LAC, the LAC has noted that the rental of ₹ 1206/- per 100 sq.m for the Panskura area fixed in the year 2017 had been derived by the Valuer based on the market value of the land assessed then, considering various comparable areas mostly located within developed zones or node near to Panskura Railway station. However, the subject land of KOPT at Panskura lacks proper approach and accessibility from Panskura railway station and is located in a substantially less developed zone. Further, the LAC in its Report has attributed the failure to get response from the potential bidders, being that the rent for the Panskura area being not consistent with the market and being on a higher side and the encroachment issue reducing the marketability of the land at Panskura.
- (vii).
 - (a). Para 13(a) of the amended Land policy guidelines prescribes the methodology for determination of market value of the land based on the five factors as prescribed therein. In terms of the said para of the amended Land policy guidelines of 2014, the Land Allotment Committee may normally take into account the highest of the factors mentioned therein, viz. (i). State Government ready reckoner of land values in the area if available for similar classification/ activities, (ii). Highest rate of actual relevant transactions registered in the last three years in the Port's vicinity with an appropriate annual escalation rate to be approved the Port Trust Board, (iii). Highest accepted tender-cum-auction rate of Port land for similar transactions, updated on the basis of the annual escalation rate approved by the Port Trust Board, (iv). Rate arrived at by an approved valuer appointed for the purpose by the Port and (v). Any other relevant factor as may be identified by the Port. The amended Land Policy guidelines of 2014 also stipulates that in case the LAC is not choosing the highest factor, the reasons for the same have to be recorded.
 - (b). In this connection, the LAC has observed from the Valuer's Report that as per the Directorate of Registration and Stamp Revenue under Finance Department of West Bengal, the market value of the land is ₹ 63 lakhs per acre. No successful tender-cum-auction has taken place during the past ten years. The highest rate of actual transactions registered in the past three years is reported at ₹ 70 lakhs per acre. The Valuer has considered the highest sale transaction rate in the vicinity for arriving at the market value and thereafter applied premium/ discount factors to remove inconsistencies between value areas and comparables to arrive at the current value of the land at Panskura area at ₹ 70.35 lakhs per acre. Thereafter, the Valuer in his report has recommended the market value of land at Panskura area at ₹ 70.35 lakhs per acre, being the highest amongst the market value of the land so determined, as discussed above.
 - (c). Clause 13(b) of the guidelines stipulates that Reserve Price in terms of annual lease rent would be arrived, as a percentage of latest market value of land determined based on the five factors in accordance with para 13(a) and that the percentage should not be less than 6% which is to be fixed by the Port Trust Board. Based on the highest market value of land for the land at Panskura area at ₹ 70.35 lakhs per acre, the Reserve Price in terms of the Annual Lease Rent for the Panskura area has been

recommended by the Valuer at 6% of the market value of land so assessed for land at Panskura area at ₹ 869.19 per 100 sq.m. per month.

- (d). Thus, based on the above position, the LAC has accepted the recommendations contained in the Valuation Report of the Valuer. In other words, the market value of land at Panskura area as well as the Reserve Price in terms of the Annual Lease Rent for the land at Panskura area, as arrived at by the Valuer has been recommended by the LAC in its Report.
- (viii). As brought out earlier, the LAC in its Report has observed that the market value of the land at Panskura area had been assessed by the Valuer in the year 2017 considering various areas mostly located within developed zones or node near to Panskura Railway station, whereas, the subject land of KOPT at Panskura lacked proper approach and accessibility from Panskura railway station and was located in a substantially less developed zone. To determine the market value of a land, it may be desirable to consider appropriate samples of land areas in the vicinity having comparable facilities. In the valuation undertaken in 2017, this aspect appears to have been overlooked by the Valuer. Also, the fact that no bidders participated in the bidding process for long term lease of land at Panskura, is seen to have triggered the need to review the valuation of the market value of the Panskura land, during the currency of the existing Rent Schedule for the lands and buildings of KOPT.

The impact of the said revised valuation is that, as against the escalated rental for the Panskura land as of May 2018 at ₹. 1254.72 per 100 sq.m per month, the revised rental has been worked out to ₹ 869.19 per 100 sq.m per month as of 30 May 2018 which is seen to be about 31% lower than the rental prescribed as of May 2018. Also, the proposed rentals of ₹ 869.19 per 100 sq.m per month is also seen to be lower than the rentals that had been fixed in the year 2011 at ₹ 1042/- per 100 sq.m per month.

Nevertheless, based on the reasoning furnished by the Port and given that the LAC has recommended to consider the revised market value of land for the Panskura area as assessed by the Valuer (being the highest amongst the market value of land assessed as per other factors), and since the recommendation of the LAC has been approved by the Board of Trustees of KOPT, this Authority is inclined to approve the proposal of the port to prescribe lower rental for the Panskura land at ₹ 869.19 per 100 sq.m. per month.

- (ix). Though the users viz., Veerprabhu Marketing Ltd (VML) and West Bengal Logistics Private Ltd (WBL) had made a request to review the rentals proposed by the port and had also agreed to furnish workings in support of the rentals so proposed by them, the KOPT has reported to have not received any such communication from the VML even after lapse of considerable time. The proposal of WBL at lower rate of rent for 99 years lease on ownership mode is not recommended by KOPT.
- (x). The valuation of land is as on 30 May 2018. The proposal of the KOPT is for revision of rate from ₹. 1254.72 per 100 sq. mtr. Per month to ₹. 869.19 per 100 sq. mtr. Per month. The rate of ₹. 1254.72 is the escalated rate as of May 2018. That being so, the revised rental for the Panskura area shall be deemed to have come into effect from 30 May 2018 and its validity shall remain co-terminus with the validity of the existing Rent Schedule for the lands and buildings of KOPT at Haldia and Kolkata i.e. upto 6 April 2021. The annual escalation of 2% will be made applicable on the rate of ₹. 869.19 after completion of one year from 30 May 2018.

10.1. In the result, and for the reasons given above, and based on collective application of mind, the existing Sl. No. 12 of Annex – VII – Rentals for the land at Haldia Dock Complex (HDC) should be replaced with the following:

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(₹ per 100 Sq. mtrs per month)

Sl. No.	Situation and Description of Land	Rentals
12	Panskura	869.19

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10.2. The other terms and conditions forming part of the Rent Schedule approved in the year 2017 shall continue to govern the revised rate for the Panskura area also.

10.3. The revised rental for the Panskura area shall be deemed to have come into effect from 30 May 2018 and its validity shall remain co-terminus with the validity of the existing Rent Schedule for the lands and buildings of KOPT at Haldia and Kolkata i.e. upto 6 April 2021. The approval accorded will automatically lapse thereafter unless specifically extended by this Authority.

(T.S. Balasubramanian)
Member (Finance)

SUMMARY OF THE COMMENTS RECEIVED FROM THE PORT USERS / DIFFERENT USER ORGANISATIONS AND ARGUMENTS MADE IN THIS CASE DURING THE JOINT HEARING BEFORE THE AUTHORITY.

F. No. TAMP/59/2018-KOPT	Proposal received from Kolkata Port Trust (KOPT) for review of rate of rent of KOPT's land at Panskura.
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A summary of the comments received from Veerprabhu Marketing Ltd (VML) VML and reply of KOPT thereon are tabulated below:

Sr. no.	Summary of Comments of VML	Summary of Reply of KOPT
(a).	(i). The rate quoted in the tender was very high. The same should be 15 lakh per acre instead of 63 lakhs per acre (approx).	As per the approved schedule, the prevailing scheduled rate of rent for land at Panskura is ₹. 1254.72 per 100 sq. mtr. per month. KOPT invited tender for leasing of the said land twice in the year 2017, which however did not materialize due to non-participation. While exploring various options to generate interest amongst the potential investors for the said land, it was decided that the existing rate of rent for the land, may also be reviewed. Towards that end, M/s Colliers International (India) Property Services Pvt Ltd., the valuer who had carried out the valuations and prepared the current scale of rates (SOR) of HDC and KDS land notified by TAMP, was engaged by HDC to review the current SOR rate of Panskura land and carry out fresh valuation. In terms of above, fresh valuation has been carried out by the valuer for the land based on which, the valuer has determined the revised rate for KOPT land at Panskura as ₹. 869.19/- per 100 sq. mts per month, which is lower than the prevailing notified rate of ₹. 1254.72 per 100 sq. per month. On the basis of the proposed revised rate of rent, the upfront rental for 30 years lease was assessed to be about ₹. 63 lakhs per acre in the month of May, 2018.
	(ii).The lease period should be minimum 32 years instead of 30 years which is ideally suitable for any GOI project. (30 years lease period and 2 years for setting up the Infrastructure)	The KOPT's proposal before TAMP is with respect to review of rate of rent for KOPT land at Panskura notified by TAMP vide G no. 224 dated 31.05.2017. There is specific provision in the prevailing Land Policy Guidelines of 2014 as amended in 2015 issued by the Ministry of Shipping relating to the renewal of leases. Hence, the issue raised by VML would be decided by the port as per the relevant provision of prevailing Land Policy Guidelines.
	(iii).The allotment of land should be with an option of renewal.	
(b).	Since the land has rail feasibility; it would facilitate the construction of silos. Under the	No specific comments furnished by KOPT.

<p>action plan approved by Govt. Of India for construction of grain silos across the country, the Ministry of Consumer Affairs, Food & Public Distribution is issuing tender through Food Corporation of India on Public Private Partnership mode. VML intends to develop the modern grain storage silos at the abovementioned location with an investment of around ₹. 50 Corers for the initial stage. VML intends to develop agri processing unit in the next phase with an investment of another 100 crores which shall be utilized in exporting the agri products through Haldia Port, Haldia Dock Complex, Kolkata Port Trust and also shall involve import of pulses.</p> <p>Since the plot of land is lying idle without any utilization since past many years and has also been tendered thrice however without any bid participation, it is requested to consider the points mentioned above so that the land can be put into use for rightful purpose.</p> <p>The same shall benefit both the parties involved in generating revenue.</p>	
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2. A joint hearing on the case in reference was held on 1 November 2018 at the KOPT premises. At the joint hearing, the KOPT made a Power Point presentation of the proposal. During the joint hearing, the KOPT and other users / user organisations have made the following submissions:

Kolkata Port Trust

- (i). Rent Schedule for the lands and buildings of KOPT at Haldia was revised with effect from April 2016 and is valid for a period of 5 years. This includes rentals for land at Panskura, which was fixed at ₹ 1206/- per 100 sq. mtrs. per month. The said rent with 2% escalation per annum now stands at ₹ 1254.72 per 100 sq. mtrs. per month.
- (ii). In pursuance of a legal case, the land at Panskura was under the custodianship of Hon'ble District Court for a long time and it is only in September 2017, that the Hon'ble Court had handed over the land to HDC after removing encroachment.
- (iii). Land at Panskura has the potential for use as industry/ industrial storage. However, in 2017, when the HDC had invited tender for leasing of 32.5 acres of land at Panskura on two occasions, on the basis of TAMP approved rates, no bids were received by HDC.
- (iv). Hence, it has been decided to review the rental for the land at Panskura. For the purpose, HDC appointed a Valuer i.e M/s Colliers International (India) Property Services Pvt Ltd (who had carried out

review of the current SOR of Panskura land), to carry out fresh valuation of Panskura land.

- (v). The Valuer has stated that there are no Ready Reckoner of the State Government nor tender rate for the Panskura land. The Valuer has considered the value of plots transacted for residential purpose from 3 different areas which are at a distance of 1.5 km radius and has applied adjustment factors, considering location, size, land use, availability of railway siding, nature of transaction (lease/ sale). The Valuer had earlier considered the value of areas in the radius of 2-4 kms away from subject land.
- (vi). Based on the fresh valuation, the Valuer has determined the lease rent at ₹ 869.19 per 100 sq. mtrs. per month as against the existing rate of ₹ 1254.72 per 100 sq. mtrs. per month. The valuation of the subject land is as on 30.05.2018. The said rate has been recommended by the LAC and has also been approved by the Board of Trustees of KOPT.
- (vii). The revised rent is proposed to be co-terminus with the validity of the existing Rent Schedule of land and buildings of KOPT at Kolkata and Haldia.

Veerprabhu Marketing Ltd (VML)

- (i). VML intend to develop the modern grain storage silos at Panskura. The facility will have state of art storage where in 50,000 MT of the grains can be preserved for more than 2 years. VML also intends to develop agri processing unit in future, which shall be utilized in exporting the agri products through Haldia.
- (ii). This will benefit the port as it will generate revenue.
- (iii). There is no road connectivity. We have to develop it. The rental proposed by the port is very high. We are ok for upfront payment of ₹ 10 lakhs per acre.
- (iv). As per the Government policy, Government gives land to private parties for storage of food grains covered under the Public Distribution Scheme (PDS). The rate is around ₹ 1100/- per tonne, which works out closely to ₹ 10 lakhs per acre.

(Dy. Chairman, HDC: If you can give document in support of upfront payment of ₹ 10 lakhs per acre/ ₹ 15 lakhs per acre, we can review the rental.)
- (v). We will forward the same to KOPT with a copy endorsed to TAMP.

West Bengal Logistics Ltd.

- (i). We also intend to set up Silo for handling foodgrains.
- (ii). Even with the reviewed rental of ₹ 869/- per 100 sq. mtrs. per month, there are no takers.
- (iii). We are ok for upfront payment of ₹ 15 lakhs per acre.

Bengal Food Park Ltd.

- (i). We plan to develop facilities for export of rice.
 - (ii). We are looking for upfront payment of ₹ 10 lakhs per acre. We want the lease period of 99 years.
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